EXHIBIT 8

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

8-K

FORM 8-K
Filed on 05/24/2002 – Period: 05/14/2002
File Number 000-27406

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8–K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

May 14, 2002

(Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0–27406	94–3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303

(Address of principal executive offices, including zip code)

(650) 843–2800

(Registrant's telephone number, including area code)

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Item 5. Other Events.

On May 14, 2002, Connetics Corporation entered into a license and development agreement with Yamanouchi Europe B.V. pursuant to which Connetics has licensed Velac® gel (a combination of 1% clindamycin and 0.025% tretinoin) from Yamanouchi Europe B.V. Under the terms of the license agreement, Connetics will pay Yamanouchi an initial licensing fee, milestone payments and a royalty on product sales. Connetics will be responsible for most product development activities and costs.

A copy of the press release announcing this transaction is attached to this Report as Exhibit 99.1 and is incorporated into this report by this reference.

Item 7. Financial Statements, ProForma Financial Information and Exhibits.

(c) Exhibits.

99.1	Press Release dated May 14, 2002

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ Katrina J. Church

Katrina J. Church
Executive Vice President, Legal
Affairs and General Counsel

Date: May 24, 2002

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EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated May 14, 2002

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

EX–99.1

EXHIBIT 99.1
8–K Filed on 05/24/2002 – Period: 05/14/2002
File Number 000–27406

EXHIBIT 99.1

Company Contact
John L. Higgins
Chief Financial Officer
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bvoss@lhai.com

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vincentk@ruderfinn.com

CONNETICS LICENSES VELAC(R) GEL FROM YAMANOUCHI

-- FIRST IN CLASS ACNE PRODUCT TO TARGET $1.6 BILLION UNITED STATES ACNE MARKET --

-- CONFERENCE CALL TO BEGIN AT 11:00 A.M. EASTERN TIME TODAY--

PALO ALTO, CALIF. (MAY 14, 2002) -- Connetics Corporation (Nasdaq: CNCT), a specialty pharmaceutical company focused on the development and commercialization of dermatology products, today announced it has licensed Velac(R) gel (a first in class combination of 1% clindamycin, and 0.025% tretinoin) from Yamanouchi Europe B.V. Connetics has licensed exclusive rights to develop and commercialize the product in the U.S. and Canada, and has licensed non-exclusive rights in Mexico. Under the terms of the agreement, Connetics will pay Yamanouchi an initial $2 million licensing fee, as well as future development milestones and royalties on product sales.

Connetics plans to request a pre-IND meeting with U.S. Food and Drug Administration (FDA) officials. Pending the outcome of the pre-IND meeting, current plans are to begin clinical trials early in 2003. Under the current development timeline, Connetics expects to file a New Drug Application (NDA) for Velac(R) gel with the FDA during the second half of 2004.

"The licensing of Velac(R) gel supports our corporate strategy of developing innovative therapies for use by dermatologists and their patients, and leveraging our impressive R&D, regulatory and sales force capabilities to the benefit of our shareholders. Velac(R) gel will compete in the prescription acne market, the largest segment of the dermatology market worth more than $1.6 billion annually in the U.S., giving Velac(R) gel the potential to become our biggest selling product," said Thomas G. Wiggans, President and Chief Executive Officer of Connetics. "This is a tremendous opportunity for Connetics to expand our growing acne franchise and complement our foam formulation of clindamycin, which we expect to enter Phase III testing this summer."

"We are delighted to be partnering with Connetics," said Ian Talmage Vice President Strategic Marketing and Business Development at Yamanouchi Europe B.V. "As evidenced by their strong commitment to dermatology, we are pleased that they will lead the development and commercialization of Velac(R) gel in North America."

"This is a very exciting new combination product that brings together two leading drugs used to treat acne in one convenient formulation. Unlike currently available combination products, Velac(R) gel acts on multiple targets for treating acne," stated James Leyden, M.D., Professor of Dermatology, University of Pennsylvania Health System. "This combination will make it easier for patients to use, and will likely enhance their compliance."

VELAC(R) GEL IN ACNE

In the U.S., an estimated 17 million people are affected by acne, of which an estimated 5.4 million visited a physician for treatment during the 12 months ended September 2001. Velac(R) gel is a novel, first in class, dual-active product combining the anti-inflammatory and antibiotic effects of clindamycin with the beneficial effects of tretinoin. These two single agents are among the most widely prescribed medications for acne: clindamycin (an anti-inflammatory antibiotic) and tretinoin (all-trans-retinoic acid). The product is patented in the U.S. and internationally.

"Acne is the most common skin disorder in the U.S., and is the leading category in the dermatology market representing more than 35 percent of dermatology product sales," said Greg Vontz, Chief Operating Officer of Connetics. "Given the robust clinical and manufacturing data that have been generated, as well as an intellectual property position, we believe Velac(R) gel has the potential to be one of the top acne products in North America."

Clinical trials in Europe have shown that Velac(R) gel is highly effective in treating acne. Results from clinical studies in more than 700 patients in Europe for the treatment of acne vulgaris have shown Velac(R) gel to be safe and as effective as leading topical treatments. Velac(R) gel is associated with few adverse events, limited mainly to mild skin irritations. In addition, Velac(R) gel is a novel formulation, for once daily application that spreads easily, dries quickly and does not stain.

CONFERENCE CALL

Connetics will host a conference call today to discuss this announcement beginning at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time). To participate in the live call by telephone in the U.S., please call (888) 328-2575. To access the call from outside the U.S., please call (706) 643-0459, conference ID #4200609. The conference call will also be broadcast live over the Internet: follow the Investor Relations link at www.connetics.com.

A telephone replay will be available from 2:00 p.m. Eastern Time (11:00 a.m. Pacific Time) on May 14, 2002, to 3:00 a.m. Eastern Time (12:00 a.m. Pacific Time) on May 16, 2002. To access the replay from the U.S., please call (800) 642-1687. To access the replay from outside of the U.S., please call (706) 645-9291, conference ID #4200609. The call will also be available for replay on Connetics' web site for 60 days.

ABOUT YAMANOUCHI

Yamanouchi Pharmaceutical Co., Ltd., is a worldwide organization committed to the research, development, manufacture and marketing of innovative pharmaceutical and healthcare products. Research is one of the company's core activities, and has resulted in a number of

important innovations, including the H2 antagonist famotidine for the treatment of acid related disorders of the gastrointestinal tract, the calcium antagonist nicardipine for the treatment of high blood pressure and angina, and tamsulosin a treatment for the functional symptoms of benign prostatic hyperplasia. Yamanouchi was established in 1923, employs about 9,500 people worldwide and is headquartered in Tokyo, Japan. It is the third largest pharmaceutical company in Japan, and is expanding its business base in Europe, the United States and Asia. For more information about Yamanouchi, its operations and its products, please visit www.yamanouchi.com.

Yamanouchi Europe B.V. is a part of Yamanouchi Pharmaceutical Co., Ltd. and has its Headquarters and Research Laboratories in Leiderdorp, The Netherlands, and has subsidiaries in most European countries. Advanced production plants are located in Meppel (Netherlands) and Carugate (Italy). Its main therapeutic focus is in the area of urology and the company has significant business interests in the areas of dermatology and cardiology. In addition to its European operations, it exports to China, the Middle East, Latin America, Australia and New Zealand.

Velac(R) is a registered trademark of Yamanouchi Europe BV.

Contact:
Mr. G. Emmer,
Director Communications Europe
+31 71-545-5772

ABOUT CONNETICS

Connetics Corporation is an independent pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. The Company's marketed products are Luxiq(R) (betamethasone valerate) Foam, 0.12% and OLUX(R) (clobetasol propionate) Foam, 0.05%. The Company's wholly owned subsidiary, Soltec Research Pty Ltd., is focused on discovering and developing innovative topical drug delivery formulations. These formulations aim to improve the management of dermatological diseases, provide significant product differentiation, and extend product life cycles. For more information about Connetics and its products, please visit Connetics' web site at www.connetics.com, or send an email to ir@connetics.com.

This news release contains forward-looking statements and predictions that represent the Company's judgment as of the date of this news release, and are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed in such forward-looking statements. Such statements are designated by language such as "we anticipate," "we expect," "we plan," and similar language. In particular, Connetics faces risks and uncertainties that U.S. development of Velac(R) may not succeed, that Velac(R) may not be approved for marketing in the U.S., that clinical trials of the product may not produce the same results as shown in earlier clinical trials, that physicians may not respond as favorably as anticipated to the product, that future sales of Velac(R) may not be as robust as anticipated,

that development of other product candidates in the Company's pipeline may not succeed, and that clinical trials may not go forward as planned. The actual results could differ materially from those contained in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' most recently filed Annual Report on Form 10-K.

# # #

EXHIBIT 9

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

8-K

FORM 8-K
Filed on 01/09/2004 - Period: 01/08/2004
File Number 000-27406

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

January 8, 2004

(Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0-27406	94-3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303

(Address of principal executive offices, including zip code)

(650) 843-2800

(Registrant's telephone number, including area code)

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Item 5. Other Events.

On January 8, 2003, Connetics Corporation announced that it has completed enrollment in its two Phase III clinical trials for Velac® gel, a first in class combination of 1% clindamycin, and a 0.025% tretinoin, for the treatment of acne.

The two Phase III trials include an aggregate of 2,218 patients at 37 centers, in which patients are treated for 12 weeks in the double–blinded, placebo and active controlled studies. Connetics anticipates data from the trial will be available in the second quarter of 2004.

A copy of the press release announcing this event is attached to this Report as Exhibit 99.1 and is incorporated into this report by this reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release dated January 8, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ Katrina J. Church

Katrina J. Church
Executive Vice President, General Counsel
and Secretary

Date: January 9, 2004

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Exhibit Number	Description
99.1	Press Release dated January 8, 2004

CONNETICS CORP

3400 W BAYSHORE RD
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EX-99.1

EXHIBIT 99.1
8-K Filed on 01/09/2004 - Period: 01/08/2004
File Number 000-27406

Exhibit 99.1

Company Contact

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Chief Financial Officer
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jhiggins@connetics.com

Investor Relations

Bruce Voss or Ina McGuinness
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CONNETICS COMPLETES PATIENT ENROLLMENT IN PIVOTAL TRIALS FOR VELAC® GEL

— Company Expects Results in Second Quarter 2004 —

PALO ALTO, Calif. (January 8, 2004) – Connetics Corporation (Nasdaq NM: CNCT), a specialty pharmaceutical company focused on the development and commercialization of dermatology products, today announced that it has completed enrollment in its two Phase III clinical trials for Velac® gel, a first in class combination of 1% clindamycin, and 0.025% tretinoin, for the treatment of acne.

The two Phase III trials include an aggregate of 2,218 patients at 37 centers, in which patients are treated for 12 weeks in the double–blinded, placebo and active controlled studies. Connetics anticipates data from the trial will be available in the second quarter of 2004.

Thomas G. Wiggans, President and Chief Executive Officer, said, "2004 is off to a great start as our product pipeline is advancing on all fronts. Our success enrolling the Velac trials on schedule follows the submission of an NDA for our first acne product Actizatm just last month. This is yet another superb job by our project team and the participating study centers completing enrollment for what is Connetics' largest clinical program ever."

About Connetics

Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. The Company's marketed products are OLUX® (clobetasol propionate) Foam, 0.05% and Luxiq® (betamethasone valerate) Foam, 0.12%. Connetics is also developing Extina™, a foam formulation of the antifungal drug ketoconazole, Actiza™, a foam formulation of clindamycin for treating acne, and Velac® Gel, a combination of clindamycin and tretinoin for treating acne. Connetics has branded its innovative foam drug delivery vehicle, VersaFoam™. These formulations aim to improve the management of dermatological diseases and provide significant product differentiation. For more information about Connetics and its products, please visit www.connetics.com, or send an e–mail to ir@connetics.com.

This news release contains forward–looking statements and predictions, in particular, statements about the potential timing of availability of clinical trial data for Velac. These statements represent the Company's judgment as of the date of this news release and are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed in such forward–looking

statements. In particular, Connetics faces risks and uncertainties that the clinical trials for Velac may not show the efficacy anticipated, that Connetics may determine not to file an NDA or that, if an NDA is filed, the FDA may not approve Velac for commercial sale. The actual results could differ materially from those contained in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on Form 10-K for the last fiscal year, and the most recently filed Quarterly Report on Form 10-Q.

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EXHIBIT 10

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

8-K

FORM 8-K
Filed on 01/27/2004 - Period: 01/27/2004
File Number 000-27406

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8–K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

January 27, 2004

(Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0–27406	94–3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303

(Address of principal executive offices, including zip code)

(650) 843–2800

(Registrant's telephone number, including area code)

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Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Earnings Press Release dated January 27, 2004.

Item 12. Results of Operations and Financial Condition.

On January 27, 2004, Connetics Corporation, a Delaware corporation, issued a press release announcing earnings for the quarter ended December 31, 2003. A copy of the earnings release is furnished as Exhibit 99.1 to this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ John L. Higgins

John L. Higgins
Executive Vice President, Finance and
Corporate Development, and Chief
Financial Officer

Date: January 27, 2004

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EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated January 27, 2004

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

EX-99.1

EXHIBIT 99.1
8-K Filed on 01/27/2004 - Period: 01/27/2004
File Number 000-27406

Exhibit 99.1

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jhiggins@connetics.com

Investor Relations
Bruce Voss or Ina McGuinness
Lippert/Heilshorn & Associates
(310) 691–7100
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CONNETICS REPORTS FOURTH QUARTER EPS OF $0.05 ON 41% INCREASE IN PRODUCT REVENUE

Introduces 2004 full year and first quarter financial guidance

PALO ALTO, Calif. (January 27, 2004) – Connetics Corporation (Nasdaq NM: CNCT), a specialty pharmaceutical company focused on the development and commercialization of dermatology products, today reported product revenues for the fourth quarter of 2003 rose 41% to $19.1 million, compared with $13.6 million, for the comparable quarter last year. Fourth quarter total revenues (which include royalties and contract payments) rose 36% to $20.3 million, from $15.0 million for the fourth quarter of last year.

The Company reported net income for the 2003 fourth quarter of $1.6 million, or $0.05 per diluted share, compared with a net loss of $5.6 million, or $0.18 per share, for the 2002 fourth quarter, which includes a non–recurring in–process R&D cost of $2.4 million.

"We are proud to report our second consecutive quarter of profitability, and continued strong gains in product sales and prescription growth for our two marketed products, OLUX and Luxiq," said Thomas G. Wiggans, Connetics President and Chief Executive Officer. "Connetics is now a profitable growth company with solid financial performance, significant progress in our product pipeline and a bright future. Looking back over 2003, we had a very successful year, yet just as important, these accomplishments built a solid foundation for continued growth and success," added Wiggans.

For the year ended December 31, 2003, product revenues rose 40% to $66.6 million, compared with $47.6 million in 2002. Total revenues for 2003 rose 43% to $75.3 million, up from $52.8 million in 2002. The 2003 net loss was $4.0 million, or $0.13 per share. The Company reported a net loss for 2002 of $16.6 million, or $0.54 per share, including non–recurring in–process R&D costs of $4.4 million and a gain on sale of stock of $2.1 million.

Total cash, cash equivalents and investments as of December 31, 2003 were $115.0 million.

Fourth Quarter Highlights

During the 2003 fourth quarter and subsequent weeks, Connetics made substantial progress in all areas of its operations, including:

- Recording a quarter of strong product sales and the second consecutive quarter of profitability.

- Submitting a New Drug Application (NDA) with the U.S. Food and Drug Administration (FDA) for Actiza™, an investigational new drug formulation of 1% clindamycin delivered in the Company's proprietary VersaFoam™ delivery system, as a potential new topical treatment for acne.

- Reaching a favorable conclusion that Connetics does not owe a User Fee for the Extina™ NDA, an investigational new drug formulation of 2% ketoconazole delivered in the VersaFoam delivery system, as a potential new treatment for seborrheic dermatitis.

- Completing enrollment in two Phase III clinical trials for Velac® Gel, a first–in–class combination of 1% clindamycin and 0.025% tretinoin, for the treatment of acne. The two Phase III trials included over 2,200 patients at 37 centers.

2004 Full Year and First Quarter Financial Guidance

The Company expects full–year 2004 product sales to be between $86 million and $92 million, and total revenues to be between $88 million and $96 million. Combined OLUX® and Luxiq® revenue for 2004 are projected to be $82 million to $86 million. Connetics projects combined SG&A and R&D expenses for 2004 to be between $71 million to $73 million. Net interest expense for 2004 is projected to be $1.0 million to $1.5 million. Diluted earnings per share (EPS) for 2004 are projected to be $0.21 to $0.25, based on an estimated 34.5 million diluted shares and an estimated effective tax rate of 12%.

The Company expects first quarter 2004 product sales to be between $19.5 million and $20.5 million, and total revenues to be between $20.5 million and $21.5 million. Connetics projects combined SG&A and R&D expenses for the first quarter to be between $19 million and $20 million. First quarter 2004 diluted EPS is projected to be $0.01 to $0.02, with tax rate comparable to the full–year guidance.

Conference Call

Connetics will host a conference call to discuss fourth quarter results and 2004 financial guidance today beginning at 4:30 p.m. Eastern Time (1:30 p.m. Pacific Time). To participate in the live call by telephone, domestic callers should dial (888) 328–2575, and international callers should dial (706) 643–0459. Those interested in listening to the conference call live via the Internet may do so by visiting the investor relations section of the Company's Web site at www.connetics.com.

A telephone replay will be available for 48 hours beginning January 27, 2004, at 6:30 p.m. Eastern Time (3:30 p.m. Pacific Time). To access the replay from the U.S., please call (800) 642–1687. To access the replay from outside of the U.S., please call (706) 645–9291. Enter the Conference ID# 5099844. The call will also be available for replay for 30 days on the Connetics Web site at www.connetics.com.

About Connetics

Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. The Company's marketed products are OLUX® (clobetasol propionate) Foam, 0.05% and Luxíq® (betamethasone valerate)

Foam, 0.12%. Connetics is also developing Extina™, a foam formulation of the antifungal drug ketoconazole, Actiza™, a foam formulation of clindamycin for treating acne, and Velac® Gel, a combination of clindamycin and tretinoin for treating acne. Connetics has branded its innovative foam drug delivery vehicle, VersaFoam™. These formulations aim to improve the management of dermatological diseases and provide significant product differentiation. For more information about Connetics and its products, please visit www.connetics.com, or send an e–mail to ir@connetics.com.

Forward–Looking Statements

This news release includes forward–looking statements, and predictions, including statements about continued revenue growth, projected 2004 full year and first quarter product and total revenues and earnings projections, the market potential of certain products and product candidates, and the potential value of pipeline products. These statements represent the Company's judgment as of the date of this news release and are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed in such forward–looking statements. In particular, Connetics faces risks and uncertainties that it may not be able to sustain profitability, that revenues may be lower or expenses higher than projected, that product sales may not increase, that development of product candidates in the Company's pipeline may not succeed or that clinical trials may not go forward as planned, and that the FDA may not approve the NDAs for Extina or Actiza or that the markets for those products may not materialize. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on Form 10–K/A–2 filed on December 2, 2003, and the Form 10–Q for the quarter ended September 30, 2003.

[Tables to Follow]

CONNETICS CORPORATION
Condensed Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Revenues:				
Product	$19,115	$13,561	$66,606	$ 47,573
Contract and royalty	1,223	1,404	8,725	5,190
Total revenues	20,338	14,965	75,331	52,763
Operating costs and expenses:				
Cost of product revenues	1,484	1,425	5,129	4,190
Depreciation and amortization	574	545	2,241	2,085
Research and development	6,518	8,023	29,560	25,330
Selling, general and administrative	9,994	8,387	40,791	36,030
In-process R&D	—	2,350	—	4,350
Charge (credit) for relaxin program	—	—	—	312
Total operating expenses	18,570	20,730	77,721	72,297
Interest and other income/(expense)	(254)	271	(426)	1,039
Gain on sale of stock	—	—	—	2,086
Income tax expense/(credit)	(124)	116	1,167	181
Net income/(loss)	$ 1,638	$ (5,610)	$ (3,983)	$(16,590)
Basic net income/(loss) per share	$ 0.05	$ (0.18)	$ (0.13)	$ (0.54)
Diluted net income/(loss) per share	$ 0.05	$ (0.18)	$ (0.13)	$ (0.54)
Shares used to calculate basic net income/(loss) per share	31,781	31,058	31,559	30,757
Shares used to calculate diluted net income/(loss) per share	33,754	31,058	31,559	30,757

Condensed, Consolidated Balance Sheets
(In thousands)
(Unaudited)

	December 31, 2003	December 31, 2002
Assets		
Assets:		
Cash and investments	$114,966	$33,788
Accounts receivable and other current assets	7,408	6,111
Property and equipment, net	5,628	5,860
Long-term assets and other	17,895	13,794
Total assets	$145,897	$59,553
Liabilities and Stockholders' Equity		
Liabilities and stockholders' equity:		
Current liabilities	$ 10,010	$14,414
Other liabilities	90,016	396
Stockholders' equity	45,871	44,743
Total liabilities and stockholders' equity	$145,897	$59,553

EXHIBIT 11

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

8-K

FORM 8-K
Filed on 03/24/2004 - Period: 03/23/2004
File Number 000-27406

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

March 23, 2004

(Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0-27406	94-3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303
(Address of principal executive offices, including zip code)

(650) 843-2800
(Registrant's telephone number, including area code)

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Item 5. Other Events.

On March 23, 2004, Connetics Corporation announced the positive outcome of its Phase III clinical trials evaluating Velac® in the topical treatment of acne vulgaris. Velac is a first–in–class, once–a–day treatment combination of 1% clindamycin and 0.025% tretinoin in an aqueous gel.

A copy of the press release announcing this event is attached to this Report as Exhibit 99.1 and is incorporated into this report by this reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release dated March 23, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ Katrina J. Church

Katrina J. Church
Executive Vice President, General Counsel
and Secretary

Date: March 24, 2004

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EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated March 23, 2004

CONNETICS CORP

3400 W BAYSHORE RD
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415. 843.2800

EX-99.1

EXHIBIT 99.1
8-K Filed on 03/24/2004 - Period: 03/23/2004
File Number 000-27406

EXHIBIT 99.1

(CONNETICS LOGO)

COMPANY CONTACT	INVESTOR RELATIONS	MEDIA CONTACT
John Higgins	Ina McGuinness or Bruce Voss	Danine Summers
Chief Financial Officer	Lippert/Heilshorn & Associates	VP, Marketing
(650) 843-2800	(310) 691-7100	(650) 843-2800
jhiggins@connetics.com	imcguinness@lhai.com	dsummers@connetics.com

CONNETICS ANNOUNCES POSITIVE RESULTS FROM VELAC PHASE III PIVOTAL TRIALS

COMPANY EXPECTS TO SUBMIT NDA FOR FIRST-IN-CLASS TRIPLE-ACTION ACNE TREATMENT IN THIRD QUARTER

PALO ALTO, CALIF. (MARCH 23, 2004) - Connetics Corporation (Nasdaq: CNCT), a specialty pharmaceutical company focused on dermatology, today announced the positive outcome of its Phase III clinical trials evaluating Velac(R) in the topical treatment of acne vulgaris. Velac is a first-in-class, once-a-day treatment combination of 1% clindamycin and 0.025% tretinoin in an aqueous gel.

The two Velac Phase III trials comprise the largest-ever pivotal program conducted by Connetics and included more than 2,200 patients with mild-to-moderate acne at 37 centers, in which patients were treated for 12 weeks in double-blinded, placebo- and active-controlled studies. The Phase III trials were of identical design evaluating the beneficial effect of Velac compared with each of the single active ingredients, clindamycin gel and tretinoin gel, and with the placebo gel on two primary efficacy endpoints: Lesion Count and Investigator's Static Global Assessment (ISGA). The Lesion Count endpoint is measured as a percent reduction in two out of three lesion counts (inflammatory, non-inflammatory and total). Treatment success based on ISGA is measured as the proportion of patients who are clear or almost clear of lesions at the end of treatment.

The data from each trial demonstrated a consistently robust and statistically superior treatment effect for Velac compared with clindamycin gel, tretinoin gel and placebo gel on both of the primary endpoints. An analysis of the combined data from the two clinical trials demonstrated similar results to the individual trials. In the combined analysis, the proportion of patients achieving treatment success on the ISGA were: 37% Velac, 27% clindamycin gel, 25% tretinoin gel and 14% vehicle gel ($p<0.0001$ for all comparisons). The mean percent reduction in total lesion counts was: 49% Velac, 38% clindamycin gel, 40% tretinoin gel and 23% vehicle gel ($p<0.0001$ for all comparisons).

The data from these trials also demonstrated that Velac was safe and well tolerated, with the most commonly observed adverse effects being application site reactions (e.g. burning, dryness, redness and peeling).

"We are delighted with the strength of the Velac pivotal data, and look forward to the prospect of bringing this significant advancement in the treatment of acne to dermatologists and their patients.

As Velac is a patent-protected, first-in-class combination product, we expect it to play an important role as we build a strong franchise in the $1 billion U.S. acne market. Acne is one of the largest segments in dermatology, and Velac, if approved, targets three of the four causes of acne and represents the largest sales potential of any product in our pipeline," said Thomas G. Wiggans, President and Chief Executive Officer of Connetics.

"The Velac development program has consistently met or exceeded our expectations on timing and results. I express my sincere thanks to our Connetics team, the clinical investigators and their staffs, and the patients who participated in these trials. This team has done a fantastic job in planning and executing a premier development program," he added. "We look forward to submitting a New Drug Application (NDA) with the U.S. Food and Drug Administration (FDA) in the third quarter to seek approval to market Velac in the U.S."

Velac increases the opportunity for Connetics to take a leadership position in the acne market and complements Actiza(TM), an investigational new drug formulation of 1% clindamycin delivered in the Company's proprietary VersaFoam(TM) delivery system. The FDA has accepted the Actiza NDA for filing as of December 24, 2003.

"These trials have met the highest standards for regulatory approval by achieving statistical superiority on both lesion count and ISGA endpoints," said Lincoln Krochmal, M.D., Executive Vice President, Research & Product Development. "The overall clinical benefits achieved in patients treated with Velac were excellent, with more than one in three being clear or almost clear at 12 weeks having had lesion counts ranging from 35 to 200. The breakthrough formulation technology to stabilize the two active ingredients along with the significantly superior clinical results seen in the pivotal trials has the potential to result in a new paradigm in acne therapy."

"As a member of The Global Alliance for Better Outcomes in Acne, we have been advocating the use of topical retinoids in combination with topical antibiotics as the backbone of treatment for the vast majority of acne patients," said James Leyden, M.D., Professor of Medicine, University of Pennsylvania, and Principal Investigator in the Velac pivotal program. "Now, for the first time we have the two most commonly used agents in one vehicle to help deliver on this treatment approach."

ABOUT VELAC

Velac is a once daily topical treatment that combines clindamycin, the No. 1 prescribed topical antibiotic for acne, and tretinoin, the No. 1 prescribed topical retinoid for acne. The combination drug has a triple-action effect combining the anti-inflammatory and antimicrobial effects of clindamycin with the beneficial comedolytic effects of tretinoin in normalizing the plugging of pores, which leads to acne lesions. Velac is delivered in an elegant, non-alcoholic gel. In May 2002, Connetics licensed rights from Yamanouchi Europe B.V. to develop and commercialize Velac exclusively in the U.S. and Canada, and non-exclusively in Mexico. Velac is approved in Europe.

ABOUT CONNETICS

Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. The Company's marketed products are OLUX(R) (clobetasol propionate) Foam, 0.05%, Luxiq(R) (betamethasone valerate) Foam, 0.12%, and Soriatane(R) (acitretin) capsules, 10 mg and 25 mg. Connetics is developing Extina(TM), a foam formulation of the antifungal drug ketoconazole, Actiza(TM), a foam formulation of clindamycin for treating acne, and Velac(R), a combination of clindamycin and tretinoin for treating acne. Connetics has branded its innovative foam drug delivery vehicle VersaFoam(TM). These formulations aim to improve the management of dermatological diseases and

provide significant product differentiation, and have earned wide acceptance by both physicians and patients due to their clinical effectiveness, high quality and cosmetic elegance. For more information about Connetics and its products, please visit www.connetics.com.

Except for historical information, this press release includes "forward-looking statements" within the meaning of the Securities Litigation Reform Act. All statements included in this press release that address activities, events or developments that Connetics expects, believes or anticipates will or may occur in the future are forward-looking statements, including specifically comments about the timing of filing an NDA, the market potential for Velac, and the likelihood of approval of Velac. These statements are based on certain assumptions made by Connetics' management based on experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond Connetics' control, and which could cause actual results or events to differ materially from those expressed in such forward-looking statements. Any such projections or statements include Connetics' current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that such results will be achieved. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on Form 10-K filed on March 15, 2004. Forward-looking statements represent the judgment of the Company's management as of the date of this release, and Connetics' disclaims any intent or obligation to update any forward-looking statements.

NOTE: Full prescribing information for any Connetics prescription product is available by contacting the Company.

# # #

EXHIBIT 12

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

8-K

FORM 8-K
Filed on 05/04/2004 - Period: 05/04/2004
File Number 000-27406

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

May 4, 2004

(Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0-27406	94-3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303

(Address of principal executive offices, including zip code)

(650) 843-2800

(Registrant's telephone number, including area code)

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Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Earnings Press Release dated May 4, 2004.

Item 12. Results of Operations and Financial Condition.

On May 4, 2004, Connetics Corporation, a Delaware corporation, issued a press release announcing earnings for the quarter ended March 31, 2004. A copy of the earnings release is furnished as Exhibit 99.1 to this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ John L. Higgins
John L. Higgins
Executive Vice President, Finance and Corporate Development, and Chief Financial Officer

Date: May 4, 2004

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EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated May 4, 2004

CONNETICS CORP

3400 W BAYSHORE RD
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415. 843.2800

EX-99.1

EXHIBIT 99.1
8-K Filed on 05/04/2004 - Period: 05/04/2004
File Number 000-27406

EXHIBIT 99.1

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CONNETICS REPORTS FIRST QUARTER EPS OF $0.05, PRODUCT REVENUES INCREASE 65% TO $23.6 MILLION

Company Raises 2004 Sales Guidance for All Three of its Products and Introduces Second Quarter Financial Guidance

PALO ALTO, Calif. (May 4, 2004) - Connetics Corporation (Nasdaq: CNCT), a specialty pharmaceutical company that develops and commercializes dermatology products, today reported net income for the first quarter ended March 31, 2004 of $1.9 million, or $0.05 per share on a fully diluted basis. This compares with a net loss for the 2003 first quarter of $5.4 million, or $0.17 per share.

Total revenues for the first quarter of 2004 increased 63% to $25.0 million, compared with total revenues of $15.3 million for the first quarter of 2003. Product revenues for the quarter were $23.6 million, including $19.8 million in sales of OLUX(R) and Luxiq(R), an increase of 39% over sales of $14.3 million for those two products in the first quarter of 2003. In addition, the Company booked $3.6 million in sales of Soriatane(R) during the first quarter of 2004. Connetics acquired exclusive U.S. rights to Soriatane(R)-brand acitretin from Hoffmann-La Roche, Inc. on March 4, 2004 and therefore there are no comparative 2003 sales figures. Contract and royalty revenues for the first quarter of 2004 were $1.4 million, compared with $1.0 million for the first quarter of 2003.

Selling, general and administrative costs increased to $15.1 million in the first quarter of 2004, compared with $10.7 million in the first quarter of 2003, due primarily to costs associated with an expanded sales force and Soriatane-related costs. Research and development expenses for the first quarter of 2004 were $4.3 million, down from $8.5 million in the first quarter 2003. The decrease in R&D expenses is primarily due to lower clinical trial expenses as a result of the completion of the Extina(R), Actiza(TM) and Velac(R) pivotal trials in 2003.

Effective with the first quarter of 2004, Connetics is including on the balance sheet certain manufacturing support and quality assurance costs as capitalized finished goods inventory and prepaid sample costs. These costs had previously been classified as R&D expense. These costs will be charged to the income statement either as cost of goods sold upon the sale of finished goods, or to SG&A expense upon the distribution of product samples. In the first quarter of 2004, $763,000 in net income, or approximately $0.02 per diluted share, is attributable to capitalizing these costs in inventory and prepaid samples. The Company has determined that the effect of accounting for these costs as inventory and prepaid samples would not have a material impact on its financial statements in any prior quarterly or annual period.

FIRST QUARTER HIGHLIGHTS

Highlights of the 2004 first quarter and subsequent weeks include:

- Announcing the positive outcome of Phase III clinical trials evaluating Velac, a first-in-class, once-daily combination treatment for acne;
- Completing the acquisition of exclusive U.S. rights to Soriatane, a once-daily oral treatment for severe psoriasis in adults;
- Entering a co-promotion agreement with UCB Pharma, Inc. to market OLUX and Luxiq to a select group of primary care physicians (PCPs). Connetics sales and marketing activities will continue to focus on dermatologists while UCB will be educating this group of PCPs on these two Connetics products;
- Presenting 11 scientific posters at the American Academy of Dermatology's 62nd annual meeting;
- Closing a 3.0 million share common stock private placement that generated gross proceeds of $60.8 million to help fund the acquisition of Soriatane;
- Receiving notice of acceptance by the U.S. Food and Drug Administration (FDA) of the Company's New Drug Application (NDA) for Actiza, a potential new topical treatment for acne in the VersaFoam(TM) delivery system. The FDA set the PDUFA date as October 26, 2004;
- Receiving notice of acceptance by the FDA of the NDA filing for Extina, a potential new treatment for seborrheic dermatitis in the VersaFoam delivery system. The FDA set the PDUFA date as September 24, 2004.

"Our business operations so far this year encompass a broad range of accomplishments that we believe will continue our rapid growth and development," said Thomas Wiggans, President and CEO. "Based on our sales and marketing initiatives, coupled with our important new partnership with UCB, we project prescriptions for OLUX and Luxiq will continue to grow into 2005. With our acquisition of Soriatane, we now have a broad range of products for the treatment of all levels of psoriasis severity. We believe there is a real opportunity to expand the market for oral treatments for psoriasis by providing Soriatane information and support to dermatologists and their patients."

"Finally, with two NDAs filed and a projected third quarter NDA filing for Velac, we are in position to launch three new products within the next 18 months. We remain very optimistic about the prospects for continued growth of our current brands, and are actively undertaking preparations for the potential launch of new products," Wiggans continued.

INCREASED 2004 REVENUE AND EARNINGS GUIDANCE; SECOND QUARTER GUIDANCE

Based on Company expectations for continued prescription growth for its core products OLUX and Luxiq, as well as sales of Soriatane above expectations since the time of acquisition, Connetics raised 2004 financial guidance. Product revenues are now expected to be $126 million to $134 million, with sales of OLUX and Luxiq totaling $87 million to $91 million. This compares with prior guidance for product revenues of $114 million to $122 million, including $82 million to $86 million for OLUX and Luxiq. Total revenues (which include royalties and contract payments) are expected to be $128 million to $137 million.

Connetics projects total operating expenses for 2004 will be $87.5 million to $89.5 million, reflecting increased expenses associated with the co-promotional activities of UCB for OLUX and Luxiq, and additional marketing costs to support pre-launch activities for its products. Based on the successful outcome of Phase III trials for Velac, Connetics projects it will make a $3.5 million milestone payment to Yamanouchi in the third quarter (concurrent with the projected submission of the Velac NDA). Diluted earnings per share for 2004 are projected to be $0.33 to $0.37, including new guidance of a $0.10 per share charge in the third quarter for the $3.5 million milestone payment to Yamanouchi.

For the second quarter 2004, the Company projects total revenue of $31.5 million to $34.0 million, including OLUX and Luxiq product revenues of $21 million to $22 million. Second quarter operating expenses are projected to be $22.5 million to $24.0 million. Diluted earnings per share for the second quarter are projected to be $0.06 to $0.08.

This guidance is based on information currently available to the Company.

CONFERENCE CALL

Connetics will host a conference call to discuss first quarter financial results and revised financial guidance today, beginning at 4:30 p.m. Eastern Time/1:30 p.m. Pacific Time. To participate in the live call by telephone, domestic callers should dial (888) 328-2575, and international callers should dial (706) 643-0459. To listen to the conference call live via the Internet, go to the investor relations section of www.connetics.com. A telephone replay will be available for 48 hours beginning today at 6:30 p.m. Eastern Time/3:30 p.m. Pacific Time. To access the replay from the U.S., please dial (800) 642-1687; and from outside the U.S. please dial (706) 645-9291. Enter the Conference ID# 6756090. The Internet replay of the call will be available for 30 days at www.connetics.com.

ABOUT CONNETICS

Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. The Company's marketed products are OLUX(R) (clobetasol propionate) Foam, 0.05%, Luxiq(R) (betamethasone valerate) Foam, 0.12%, and Soriatane(R) (acitretin) capsules, 10 mg and 25 mg. Connetics is developing Extina(R), a foam formulation of the antifungal drug ketoconazole, Actiza(TM), a foam formulation of clindamycin for treating acne, and Velac(R), a combination of clindamycin and tretinoin for treating acne. Connetics has branded its innovative foam drug delivery vehicle VersaFoam(TM). These formulations aim to improve the management of dermatological diseases and provide significant product differentiation, and have earned wide acceptance by both physicians and patients due to their clinical effectiveness, high quality and cosmetic elegance. For more information about Connetics and its products, please visit www.connetics.com.

SAFE HARBOR STATEMENT

Except for historical information, this press release includes "forward-looking statements" within the meaning of the Securities Litigation Reform Act. All statements included in this press release that address activities, events or developments that Connetics expects, believes or anticipates will or may occur in the future are forward-looking statements, including statements about projected earnings, the revenue and earnings potential for the Company's products, and the timing of milestone payments and future FDA approvals, if any. These statements are based on certain assumptions made by Connetics' management based on experience and perception of historical trends, current conditions, expected future developments and other factors it believes are

appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond Connetics' control, and which could cause actual results or events to differ materially from those expressed in such forward-looking statements. Any such projections or statements include Connetics' current views with respect to future events and financial performance, and results of operations may fluctuate from period to period. No assurances can be given, however, that these events will occur or that such results will be achieved. In particular, Connetics faces risks and uncertainties that one or more of its product candidates Extina, Actiza and Velac may not be approved by the FDA in the timeframes projected, if at all; that Soriatane and the Company's other products may not produce the projected revenues and earnings; that sales may decline if generic or branded competitors enter the market; and that initial marketing success for Soriatane may or may not be achieved or may not be sustainable. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on Form 10-K filed on March 15, 2004. Forward-looking statements represent the judgment of the Company's management as of the date of this release, and Connetics' disclaims any intent or obligation to update any forward-looking statements.

NOTE: Full prescribing information for any Connetics prescription product is available by contacting the Company.

CONNETICS CORPORATION
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(unaudited)

	THREE MONTHS ENDED MARCH 31,	
	2004	2003
Revenues:		
Product	$ 23,566	$ 14,311
Contract and royalty	1,416	1,000
Total revenues	24,982	15,311
Operating costs and expenses:		
Cost of product revenues	1,568	1,072
Selling, general and administrative	15,072	10,682
Research and development	4,286	8,451
Depreciation and amortization	1,648	588
Total operating costs and expenses	22,574	20,793
Net interest and other income/(expense)	(292)	178
Income tax benefit (expense)	(243)	(77)
Net earnings/(loss)	$ 1,873	$ (5,381)
BASIC EARNINGS PER SHARE		
Net earnings/(loss) per basic share	$ 0.06	$ (0.17)
Shares used to calculate basic net earnings (loss) per share	33,587	31,286
DILUTED EARNINGS PER SHARE		
Net earnings/(loss) per diluted share	$ 0.05	$ (0.17)
Shares used to calculate diluted net earnings (loss) per share	35,887	31,286

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(unaudited)

ASSETS

Assets:		
Cash, cash equivalents and short-term investments	$ 44,143	$114,966
Accounts receivables and other current assets	18,453	7,408
Soriatane asset, net	126,559	--
Property and equipment, net	5,608	5,628
Other long-term assets	17,512	17,895
Total assets	$212,275	$145,897

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities and stockholders'equity:		
Current liabilities	$ 16,869	$ 10,127
Other liabilities	90,016	90,016
Stockholders' equity	105,390	45,754
Total liabilities and stockholders' equity	$212,275	$145,897

EXHIBIT 13

CONNETICS CORP

3400 W BAYSHORE RD
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415. 843.2800

8-K

FORM 8-K
Filed on 07/28/2004 - Period: 07/28/2004
File Number 000-27406

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

July 28, 2004

(Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0-27406	94-3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303

(Address of principal executive offices, including zip code)

(650) 843-2800

(Registrant's telephone number, including area code)

TABLE OF CONTENTS

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Item 5. Other Events and Regulation FD Disclosure.

On July 28, 2004, Connetics Corporation announced that it has signed a multi–year consent with Roche to sell Soriatane® to a U.S.–based distributor that exports pharmaceutical products to select international markets. Connetics estimates that sales to this distributor could potentially generate an incremental $11.0 million to $13.0 million in Soriatane sales annually through 2007.

A copy of the press release announcing this event is attached to this Report as Exhibit 99.1 and is incorporated into this report by this reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release dated July 28, 2004.

99.2 Earnings Press Release dated July 28, 2004.

Item 12. Results of Operations and Financial Condition.

On July 28, 2004 Connetics Corporation, issued a press release announcing earnings for the quarter ended June 30, 2004. A copy of the earnings release is furnished as Exhibit 99.2 to this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ John L. Higgins

John L. Higgins
Executive Vice President, Finance and
Corporate Development, and Chief
Financial Officer

Date: July 28, 2004

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Exhibit Number	Description
99.1	Press Release dated July 28, 2004
99.2	Press Release dated July 28, 2004

CONNETICS CORP

3400 W BAYSHORE RD
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EX-99.1

EXHIBIT 99.1
8-K Filed on 07/28/2004 - Period: 07/28/2004
File Number 000-27406

EXHIBIT 99.1

[CONNETICS LOGO]

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INVESTOR RELATIONS:
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CONNETICS ANNOUNCES AGREEMENT WITH DISTRIBUTOR OF SORIATANE TO SELECT INTERNATIONAL MARKETS

POTENTIAL TO GENERATE INCREMENTAL $11.0 MILLION TO $13.0 MILLION IN ANNUAL PRODUCT SALES

PALO ALTO, CALIF. (JULY 28, 2004) - CONNETICS CORPORATION (NASDAQ: CNCT), a specialty pharmaceutical company that develops and commercializes dermatology products, today reported it has signed a multi-year consent with Roche to sell Soriatane(R) to a U.S.-based distributor that exports branded pharmaceutical products to select international markets. Connetics estimates that sales to this distributor could potentially generate an incremental $11.0 million to $13.0 million in Soriatane sales annually through 2007. Product sold to this distributor is not permitted to be resold in the U.S. Under the terms of the agreement, Connetics will pay a royalty to Roche on Soriatane sales to this distributor. Including the potential impact of this relationship, Connetics projects Soriatane sales for 2004 to total $47.0 million to $49.0 million.

ABOUT CONNETICS
Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. The Company's marketed products are OLUX(R) (clobetasol propionate) Foam, 0.05%, Luxiq(R) (betamethasone valerate) Foam, 0.12%, and Soriatane(R) (acitretin) capsules, 10 mg and 25 mg. Connetics is developing Extina(R), a foam formulation of the antifungal drug ketoconazole, Actiza(TM), a foam formulation of clindamycin for treating acne, and Velac(R), a combination of clindamycin and tretinoin for treating acne. Connetics has branded its innovative foam drug delivery vehicle VersaFoam(R). These formulations aim to improve the management of dermatological diseases and provide significant product differentiation, and have earned wide acceptance by both physicians and patients due to their clinical effectiveness, high quality and cosmetic elegance. For more information about Connetics and its products, please visit www.connetics.com.

ABOUT SORIATANE
Soriatane is a convenient, once-daily oral medication supplied as 10 mg and 25 mg capsules that is indicated for the treatment of severe psoriasis in adults, including plaque, erythrodermic, pustular, guttate and palmar-plantar. Clinical efficacy studies show that 76% of patients taking Soriatane have statistically significant improvement in as little as 8 weeks. At six months, 40% of patients experienced complete or almost complete clearing of their psoriasis; at 12 months, patients continued to experience statistically significant improvement in symptoms. Since Soriatane is neither immunosuppressive nor cytotoxic, it can be used without the risk of reducing a patient's resistance to common infections.

In women of childbearing potential, Soriatane should be reserved for patients who have not responded to other therapies or whose clinical condition makes other treatments inappropriate, because the drug may

-More-

cause serious birth defects. Women who are pregnant or might become pregnant within three years after stopping therapy should not take Soriatane.

Aside from birth defects, less frequent but potentially serious adverse events that have been reported include liver toxicity, pancreatitis and increased intracranial pressure, as well as bone spurs, alteration in lipid levels, possible cardiovascular effects and eye problems. For more information about Soriatane visit www.soriatane.com.

SAFE HARBOR STATEMENT
Except for historical information, this press release includes "forward-looking statements" within the meaning of the Securities Litigation Reform Act. All statements included in this press release that address activities, events or developments that Connetics expects, believes or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements about revenue forecasts and product information correctness. These statements are based on certain assumptions made by Connetics' management based on experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond Connetics' control, and which could cause actual results or events to differ materially from those expressed in such forward-looking statements. Any such projections or statements include Connetics' current views with respect to future events and financial performance. No assurances can be given, however, that these events will occur or that such results will be achieved. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on form 10-K filed for the year ending December 31, 2003 and form 10-Q for the quarter ended March 31, 2004. Forward-looking statements represent the judgment of the Company's management as of the date of this release, and Connetics' disclaims any intent or obligation to update any forward-looking statements.

NOTE: Full prescribing information for any Connetics prescription product is available by contacting the Company.

# # #

CONNETICS CORP

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EX-99.2

EXHIBIT 99.2
8-K Filed on 07/28/2004 - Period: 07/28/2004
File Number 000-27406

EXHIBIT 99.2

(CONNETICS LOGO)

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CONNETICS REPORTS SECOND QUARTER EPS OF $0.19, PRODUCT REVENUES INCREASE 92% TO $38.0 MILLION

COMPANY RAISES 2004 REVENUE AND EARNINGS GUIDANCE AND INTRODUCES THIRD QUARTER FINANCIAL GUIDANCE

PALO ALTO, CALIF. (JULY 28, 2004) - CONNETICS CORPORATION (NASDAQ: CNCT), a specialty pharmaceutical company that develops and commercializes dermatology products, today reported net income for the second quarter ended June 30, 2004 of $7.5 million or $0.19 per diluted share. This compares with a net loss for the second quarter of 2003 of $1.9 million or $0.06 per share.

Total revenues for the second quarter of 2004 increased 92% to $38.3 million, compared with total revenues of $20.0 million for the second quarter of 2003. Product revenues for the 2004 second quarter were $38.0 million compared with $15.5 million for the same period last year, reflecting growth in all product lines as well as a full quarter with sales of Soriatane(R), which the Company acquired on March 4, 2004 from Roche.

Second quarter of 2004 product sales of OLUX(R) and Luxiq(R) rose 34% to $20.8, million including the impact of a one-time $0.6 million reduction made to revenues to reflect Medicaid program product pricing allowances. Second quarter of 2004 sales of Soriatane were $17.2 million, which included sales to a U.S.-based distributor that exports branded pharmaceutical products to select international markets. This distributor relationship commenced during the quarter. Contract and royalty revenues for the second quarter of 2004 were $0.3 million, compared with $4.4 million in the second quarter of 2003.

Selling, general and administrative (SG&A) costs were $17.2 million in the second quarter of 2004, compared with $10.4 million in the second quarter of 2003. The increase to SG&A expenses is due to increased promotional activities for all products and compensation expenses paid to UCB Pharma for its promotional activities. Research and development (R&D) expenses for the second quarter of 2004 were $5.0 million, down from $8.6 million in the second quarter of 2003, primarily due to lower clinical trial expenses as a result of the completion of the pivotal trials for Extina(R), Actiza(TM) and Velac(R) in 2003.

-More-

SECOND QUARTER HIGHLIGHTS

Highlights of the second quarter of 2004 and subsequent weeks included:

- Acceptance by the FDA of the NDA filing for Extina, a potential new treatment for seborrheic dermatitis in the VersaFoam(R) delivery system. The FDA set the PDUFA date as September 24, 2004.

- Issuance of a U.S. Patent on Connetics' Emollient-Foam Technology. The patent has seven independent product claims, and covers a pharmaceutical aerosol foam composition having occlusive capability. This technology has been incorporated into the Company's next generation of foam products with Olux-E and Desonide-E. Patents covering this technology have previously been issued in Australia and New Zealand, and patent applications are pending in a number of other countries.

- Signing a multi-year consent with Roche permitting Connetics to sell Soriatane to a U.S.-based distributor that exports branded pharmaceutical products to select international markets. Connetics estimates that sales to this distributor could potentially generate an incremental $11.0 million to $13.0 million in Soriatane sales annually through 2007. Connetics will pay a royalty to Roche on Soriatane sales to this distributor.

"This quarter's impressive results showcase our achievements in every aspect of our operations and speak to the potential for further growth and expansion of a valuable specialty pharmaceutical franchise," said Thomas Wiggans, Connetics' President and CEO. "We are confident in our ability to achieve continued revenue growth with our current brands and look forward to launching up to three new products from our pipeline within the next 12 months. Based on our commercial activities with Soriatane and the new distribution agreement we have entered into we are raising our financial guidance for the balance of the year. Looking ahead, we are diligently preparing to initiate two clinical trials while preparing our commercial operations for the introduction of Actiza, Extina and Velac," said Wiggans.

YEAR-TO-DATE FINANCIALS

For the six-months ended June 30, 2004 net income was $9.3 million or $0.25 per diluted share, compared with a net loss of $7.2 million or $0.23 per share, for the same period last year.

Total revenues for the first half of 2004 rose to $63.2 million, compared with total revenues of $35.3 million last year. Product revenues for the six-months ended June 30, 2004 more than doubled to $61.6 million from $29.8 million for the same period last year, reflecting growth in all product lines and the addition of Soriatane to the Company's product portfolio in March 2004.

SG&A costs were $32.3 million for the first half of 2004 compared with $21.1 in the first half of 2003 due to increased promotional activities in 2004 for all products and compensation expenses paid to UCB Pharma for its promotional activities. R&D expenses 2004 year-to-date were $9.2 million, down from $17.0 million last year as pivotal trials for Extina, Actiza and Velac were completed in 2003.

INCREASED 2004 REVENUE AND EARNINGS GUIDANCE; THIRD QUARTER GUIDANCE INTRODUCED

Based on information currently available to the Company, Connetics is raising 2004 financial guidance. Product revenues are now expected to be $138.0 million to $146.0 million compared to prior guidance of $126.0 million to $134.0 million, reflecting increased sales of Soriatane. Soriatane sales are now projected to total $47.0 million to $49.0 million compared to prior guidance of $35.0 million to $37.0 million. Combined sales guidance for OLUX and Luxiq remains unchanged and is expected to total $87.0 million to $91.0 million. Combined sales guidance for Actiza and Extina, which we anticipate launching one or both products in the fourth quarter, remains unchanged and is expected to total $4.0

million to $6.0 million. Total revenues (which include royalties and contract payments) are expected to be $140.0 million to $148.0 million.

For 2004, Connetics now projects combined SG&A and R&D expenses in the range of $91.0 million to $96.0 million, reflecting additional marketing costs to support pre-launch activities for pipeline products, increased promotional expenses associated with Soriatane, and expenses associated with the expansion of the Company's sales force. Connetics projects it will make a $3.5 million milestone payment to Yamanouchi Europe B.V. in the third quarter concurrent with the projected submission of the Velac NDA. Connetics licensed the Velac program from Yamanouchi in 2002. Earnings per share on a diluted basis for 2004 are projected to be $0.48 to $0.52, including the $0.10 per share charge in the third quarter for the Yamanouchi payment.

For the third quarter of 2004, the Company projects product revenue of $37.5 million to $39.5 million. Third quarter combined SG&A and R&D expenses are projected to be in the range of $23.5 million to $25.0 million. EPS on a diluted basis is projected to be $0.06 to $0.08, including the $0.10 per share charge for the $3.5 million milestone payment to Yamanouchi.

In assessing the Company's financial guidance, many factors and assumptions were taken into consideration, including, but not limited to, current and projected prescription information; sales trend data of the Company's products; the potential generic availability of the Company's products; competitive threats to the Company's products; size, reach and call frequency of the Company's selling organization; status, timing and progression of the Company's development projects; current and projected spending levels to support sales, marketing, development, and administrative activities; and other risk factors discussed in the Company's publicly filed documents. The above guidance does not include conversion of the Company's convertible senior notes, the effect of expensing stock options, or the potential impact of other components of the Company's growth strategy, including possible future acquisitions of products, businesses and/or technologies.

CONFERENCE CALL

Connetics will host a conference call to discuss second quarter financial results and revised financial guidance today, beginning at 4:30 p.m. Eastern Time/1:30 p.m. Pacific Time. To participate in the live call by telephone, domestic callers should dial (888) 328-2575, and international callers should dial (706) 643-0459. To listen to the conference call live via the Internet, go to the investor relations section of www.connetics.com. A telephone replay will be available for 48 hours beginning today at 6:30 p.m. Eastern Time/3:30 p.m. Pacific Time. To access the replay from the U.S., please dial (800) 642-1687; and from outside the U.S. please dial (706) 645-9291. The Conference ID# is 8771613. The Internet replay of the call will be available for 30 days at www.connetics.com.

ABOUT CONNETICS

Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. The Company's marketed products are OLUX(R) (clobetasol propionate) Foam, 0.05%, Luxiq(R) (betamethasone valerate) Foam, 0.12%, and Soriatane(R) (acitretin) capsules, 10 mg and 25 mg. Connetics is developing Extina(R), a foam formulation of the antifungal drug ketoconazole, Actiza(TM), a foam formulation of clindamycin for treating acne, and Velac(R), a combination of clindamycin and tretinoin for treating acne. Connetics has branded its innovative foam drug delivery vehicle VersaFoam(R). These formulations aim to improve the management of dermatological diseases and provide significant product differentiation, and have earned wide acceptance by both physicians and patients due to their clinical effectiveness, high quality and cosmetic elegance. For more information about Connetics and its products, please visit www.connetics.com.

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SAFE HARBOR STATEMENT

Except for historical information, this press release includes "forward-looking statements" within the meaning of the Securities Litigation Reform Act. All statements included in this press release that address activities, events or developments that Connetics expects, believes or anticipates will or may occur in the future, including particularly earnings estimates and future financial performance, are forward-looking statements, including, but not limited to, statements pertaining to sales expectations through our new distributor relationship; Connetics' ability to achieve continued revenue growth with our current brands; are ability to launch three new products from our pipeline within the next 12 months; and our ability to initiate new clinical trail programs. These forward-looking statements are based on certain assumptions made by Connetics' management based on experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond Connetics' control, and which could cause actual results or events to differ materially from those expressed in such forward-looking statements. No assurances can be given that these events will occur or that such results will be achieved. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on Form 10-K for the year ended December 31, 2003 and Form 10-Q for the quarter ended March 31, 2004. Forward-looking statements represent the judgment of the Company's management as of the date of this release, and Connetics disclaims any intent or obligation to update any forward-looking statements.

NOTE: Full prescribing information for any Connetics prescription product is available by contacting the Company.

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CONNETICS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
Revenues:	2004	2003	2004	2003
Product sales	$ 37,999	$ 15,528	$ 61,565	$ 29,839
Contract and royalty	254	4,442	1,670	5,442
Total revenues	38,253	19,970	63,235	35,281
Operating costs and expenses:				
Cost of product sales	3,578	1,185	5,146	2,257
Research and development	4,957	8,571	9,243	17,022
Selling, general and administrative	17,239	10,386	32,311	21,068
Depreciation and amortization	3,767	454	5,415	1,042
Total operating costs and expenses	29,541	20,596	52,115	41,389
Income / (loss) from operations	8,712	(626)	11,120	(6,108)
Interest and other income (expense), net	(608)	(28)	(900)	150
Provision for income taxes	(647)	(1,202)	(890)	(1,279)
Net income / (loss)	$ 7,457	$ (1,856)	$ 9,330	$ (7,237)
Net income / (loss) per share:				
Basic	$ 0.21	$ (0.06)	$ 0.27	$ (0.23)
Diluted (1)	$ 0.19	$ (0.06)	$ 0.25	$ (0.23)
Shares used to calculate net income / (loss) per share:				
Basic	35,242	31,519	34,439	31,403
Diluted (1)	41,627	31,519	40,925	31,403

(1) In accordance with SFAS No. 128, using the If-Converted Method, interest expense of $649,000 related to 2.25% convertible senior notes due in 2008 has been added back to net income for purposes of calculating net income per diluted share for the three month period ended June 30, 2004. Shares used to calculate net income per diluted share for the three month period ended June 30, 2004 include the dilutive effect of shares issuable upon exercise of outstanding stock options and warrants plus the effect of $90.0 million 2.25% convertible senior notes, which convert to approximately 4.2 million shares.

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CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

	JUNE 30, 2004	DECEMBER 31, 2003
ASSETS		
Assets:		
Cash, cash equivalents and short-term investments	$ 66,992	$114,966
Accounts receivable and other current assets	13,651	7,408
Soriatane asset, net	123,397	--
Property and equipment, net	6,276	5,628
Other long-term assets	18,642	17,895
Total assets	$228,958	$145,897
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities and stockholders' equity:		
Current liabilities	$ 24,720	$ 10,127
Other liabilities	90,015	90,016
Stockholders' equity	114,223	45,754
Total liabilities and stockholders' equity	$228,958	$145,897

# # #

EXHIBIT 14

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

8-K

FORM 8-K
Filed on 10/25/2004 - Period: 10/25/2004
File Number 000-27406

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

October 25, 2004
Date of Report (Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0-27406	94-3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303
(Address of principal executive offices, including zip code)

(650) 843-2800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02. Results of Operations and Financial Condition.

On October 25, 2004 Connetics Corporation, issued a press release announcing earnings for the quarter ended September 30, 2004. A copy of the earnings release is furnished as Exhibit 99.1 to this report.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description
99.1	Press Release dated October 25, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ John L. Higgins
John L. Higgins
Executive Vice President, Finance and Corporate Development, and Chief Financial Officer

Date: October 25, 2004

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EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated October 25, 2004.

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

EX-99.1

EXHIBIT 99.1
8-K Filed on 10/25/2004 - Period: 10/25/2004
File Number 000-27406

CONNETICS REPORTS THIRD QUARTER EARNINGS PER SHARE OF $0.10

Company Introduces 2004 Fourth Quarter Financial Guidance

PALO ALTO, Calif. (October 25, 2004) — Connetics Corporation (Nasdaq: CNCT), a specialty pharmaceutical company that develops and commercializes dermatology products, today reported net income for the third quarter ended September 30, 2004 of $3.7 million, or $0.10 per diluted share, which includes a $3.5 million milestone payment due to Yamanouchi Europe B.V. in conjunction with the submission of the Velac® New Drug Application (NDA). This compares with net income of $1.6 million, or $0.05 per diluted share, for the third quarter of 2003.

Total revenues for the third quarter of 2004 were $37.3 million, compared with total revenues of $19.7 million for the third quarter of 2003. Product revenues for the 2004 third quarter more than doubled to $37.0 million, compared with $17.7 million for the comparable period last year, reflecting growth in revenues of OLUX® and Luxíq®, and the addition of Soriatane®, which the Company acquired from Roche in March 2004. The Company had cash, cash equivalents and short-term investments on September 30, 2004 of $78.0 million.

During the third quarter of 2004 revenues of OLUX and Luxíq were $22.2 million, representing an increase of 26% over the prior year. Soriatane revenues were $14.7 million during the third quarter of 2004. Contract and royalty revenues for the third quarter of 2004 were $345,000, compared with $2.1 million in the third quarter of 2003.

Selling, general and administrative (SG&A) expenses increased to $16.8 million in the third quarter of 2004 from $9.7 million in the third quarter of 2003, primarily due to payments made to UCB Pharma (UCB) for promotional activities on behalf of OLUX and Luxíq, increased promotional activities for all products and increased headcount. Research and development (R&D) expenses were $6.0 million, essentially unchanged from the third quarter of 2003.

"I am delighted to report on our progress, particularly our recent regulatory milestones including the FDA approval of Evoclin™ and the filing of the NDA for our Velac product," said Thomas G. Wiggans, President and Chief Executive Officer of Connetics. "With the planned commercial launch of Evoclin in the fourth quarter, we continue to expand our commercial product portfolio and achieve our corporate goals and objectives. During October, we expanded our team of sales representatives to 124 from 66. Our new sales representatives are currently undergoing comprehensive training, and we look forward to their contribution beginning later this quarter. The Company continues to execute well on all fronts, and we are anticipating a strong finish to 2004."

Significant activities in the third quarter of 2004 and subsequent weeks included:

- Receiving FDA approval of Evoclin (clindamycin) Foam, 1% (formerly Actiza™) for the topical treatment of mild-to-moderate acne vulgaris (October 2004). Evoclin is the first product approval for Connetics that will address the acne market. Evoclin is delivered in Connetics' proprietary VersaFoam® vehicle and will be available in the fourth quarter of 2004 in 50g and 100g sizes.

- The FDA's acceptance of the NDA filing for Velac, a once-a-day treatment combination of 1% clindamycin and 0.025% tretinoin in an aqueous gel for the topical treatment of acne vulgaris (October 2004).

- Signing a distribution agreement with a U.S.–based distributor that exports Soriatane to select international markets. Connetics built upon this relationship to include distribution of OLUX and Luxíq through this channel.

- Signing a license agreement granting Pierre Fabre Dermatologie exclusive commercial rights to OLUX for Europe excluding Italy, as well as marketing rights for certain countries in South America and Africa.

- Commencing a Phase III clinical trial with Desilux™, a low–potency topical steroid formulated with 0.05% desonide in the Company's proprietary VersaFoam–EF™ (emollient formulation) delivery vehicle. The clinical trial program will focus on atopic dermatitis and is designed to address patients up to 17 years old. Subject to a successful Phase III trial outcome, Connetics anticipates submitting a New Drug Application to the FDA by the end of 2005.

- Announcing the discontinuation of the UCB co–promotion agreement for OLUX and Luxíq to select primary care physicians effective March 31, 2005.

- Receiving FDA approval of a new 150g unit size for Luxíq which will help address the needs of chronic dermatoses patients and we anticipate will add growth to the brand in 2005.

Year–to–Date Financial Results

For the nine months ended September 30, 2004 net income was $13.0 million, or $0.35 per diluted share, which includes a third quarter $3.5 million milestone payment to Yamanouchi associated with the filing of the Velac NDA. This compares with a net loss of $5.6 million, or $0.18 per share, for the comparable period last year.

Total revenues for the first nine months of 2004 rose to $100.6 million, compared with $55.0 million last year. Product revenues for the nine months ended September 30, 2004 more than doubled to $98.6 million from $47.5 million for the comparable period last year, reflecting growth in OLUX and Luxíq as well as two full quarters with revenues of Soriatane.

SG&A expenses increased to $49.1 million for the first nine months of 2004 compared with $30.8 million in the first nine months of 2003, primarily due to payments made to UCB for promotional activities related to OLUX and Luxíq, increased promotional activities for all products and increased headcount. R&D expenses for 2004 year–to–date were $15.3 million, down from $23.0 million during the same period last year as pivotal trials with Extina®, Evoclin and Velac were completed in 2003.

Financial Guidance

For the fourth quarter of 2004, Connetics projects product revenues of $43.0 million to $46.0 million. Fourth quarter combined SG&A and R&D expenses are projected to be in the range of $27.0 million to $31.0 million. Earnings per diluted share for the fourth quarter of 2004 are projected to be $0.16 to $0.18. As a result, full–year 2004 product revenues are expected to be $142.0 million to $145.0 million, compared with prior guidance of $138.0 million to $146.0 million. Earnings per diluted share for 2004 are expected to be $0.51 to $0.53, compared with prior guidance of $0.48 to $0.52.

In assessing the Company's financial guidance, Connetics' management considered many factors and assumptions including, but not limited to, current and projected prescription information; sales trend data of the Company's products; the potential generic availability of, and competitive threats to, the Company's products; size, reach and call frequency of the Company's selling organization; status, timing and progression of the Company's development projects; current and projected spending levels to support sales, marketing, development, and administrative activities; and other risk factors discussed in Connetics' publicly filed documents. The above guidance does not take into account conversion of the Company's convertible senior notes, the effect of expensing stock options or the potential impact of other components of Connetics' growth strategy, including possible future acquisitions of products, businesses and/or technologies.

Conference Call

Connetics will host a conference call to discuss third quarter financial results beginning at 4:30 p.m. Eastern Time/1:30 p.m. Pacific Time today. To participate in the live call by telephone, domestic callers should dial (888) 328–2575, and international callers should dial (706) 643–0459. To listen to the conference call live via the Internet, go to the investor relations section of www.connetics.com. A telephone replay will be available for 48 hours beginning today at 6:30 p.m. Eastern Time/3:30 p.m. Pacific Time. To access the replay from the U.S., please dial (800) 642–1687; and from outside the U.S. please dial (706) 645–9291. The Conference ID# is 1494516. The Internet replay of the call will be available for 30 days at www.connetics.com.

About Connetics

Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. Connetics has branded its proprietary foam drug delivery vehicle VersaFoam®. The Company's marketed products are OLUX® (clobetasol propionate) Foam, 0.05%, Luxiq® (betamethasone valerate) Foam, 0.12%, and Soriatane® (acitretin) capsules. In October 2004, Connetics received approval for Evoclin™ (clindamycin) Foam, 1%. Connetics is developing Extina®, a foam formulation of the antifungal drug ketoconazole, and Velac®, a combination of clindamycin and tretinoin for treating acne. Our product formulations aim to improve the management of dermatological diseases and provide significant product differentiation, and in our marketed products have earned wide acceptance by both physicians and patients due to their clinical effectiveness, high quality and cosmetic elegance. For more information about Connetics and its products, please visit www.connetics.com.

Forward Looking Statements

Except for historical information, this press release includes "forward–looking statements" within the meaning of the Securities Litigation Reform Act. All statements included in this press release that address activities, events or developments that Connetics expects, believes or anticipates will or may occur in the future, including particularly statements about earnings estimates, future financial performance, and financial guidance, are forward–looking statements. Statements pertaining to revenue expectations, revenue growth, the timing and success of the launch of Evoclin, and the performance of Connetics' products or product candidates are also forward–looking statements. These forward–looking statements are based on certain assumptions made by Connetics' management based on experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond Connetics' control, and which could cause actual results or events to differ materially from those expressed in such forward–looking statements. No assurances can be given that these events will occur or that such results will be achieved. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on Form 10–K for the year ended December 31, 2003 and Form 10–Q for the quarter ended June 30, 2004. Forward–looking statements represent the judgment of the Company's management as of the date of this release, and Connetics disclaims any intent or obligation to update any forward–looking statements.

Contacts:
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Ina McGuinness or Bruce Voss
Lippert/Heilshorn & Associates
(310) 691–7100
imcguinness@lhai.com

Tables Follow

CONNETICS CORPORATION

Condensed Consolidated Statements of Operations
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	**2003**	**2004**	**2003**
Revenues:				
Product	$36,999	$17,652	$ 98,564	$47,491
Royalty and contract	345	2,060	2,015	7,502
Total revenues	37,344	19,712	100,579	54,993
Operating costs and expenses:				
Cost of product revenues	3,067	1,388	8,213	3,645
Research and development	6,038	6,021	15,281	23,042
Selling, general and administrative	16,789	9,729	49,100	30,797
Depreciation and amortization	3,738	624	9,153	1,667
Acquired in-process research and development	3,500	—	3,500	—
Total operating costs and expenses	33,132	17,762	85,247	59,151
Income / (loss) from operations	4,212	1,950	15,332	(4,158)
Interest and other income (expense), net	(373)	(321)	(1,273)	(172)
Provision for income taxes	(144)	(13)	(1,034)	(1,291)
Net income / (loss)	$ 3,695	$ 1,616	$ 13,025	$ (5,621)
Net income / (loss) per share:				
Basic	$ 0.10	$ 0.05	$ 0.37	$ (0.18)
Diluted	$ 0.10	$ 0.05	$ 0.35	$ (0.18)
Shares used to calculate net income / (loss) per share:				
Basic	35,510	31,648	34,794	31,485
Diluted	38,064	33,607	37,179	31,485

CONNETICS CORPORATION

Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	September 30, 2004	December 31, 2003
Assets		
Assets:		
Cash, cash equivalents and short-term investments	$ 77,986	$114,966
Accounts receivable and other current assets	13,724	7,408
Soriatane asset, net	120,205	—
Property and equipment, net	8,540	5,628
Other long-term assets	19,271	17,895
Total assets	$239,726	$145,897
Liabilities and Stockholders' Equity		
Liabilities and stockholders' equity:		
Current liabilities	$ 30,006	$ 10,127
Other liabilities	90,036	90,016
Stockholders' equity	119,684	45,754
Total liabilities and stockholders' equity	$239,726	$145,897

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EXHIBIT 15

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

8-K

FORM 8-K
Filed on 11/23/2004 - Period: 11/22/2004
File Number 000-27406

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8–K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

November 22, 2004

Date of Report (Date of earliest event reported)

CONNETICS CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	0–27406	94–3173928
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3290 West Bayshore Road, Palo Alto, California 94303

(Address of principal executive offices, including zip code)

(650) 843–2800

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8–K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a–12 under the Exchange Act (17 CFR 240.14a–12)

☐ Pre–commencement communications pursuant to Rule 14d–2(b) under the Exchange Act (17 CFR 240.14d–2(b))

☐ Pre–commencement communications pursuant to Rule 13e–4(c) under the Exchange Act (17 CFR 240.13e–4(c))

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Item 8.01. Other Events.

On November 22, 2004, Connetics Corporation ("Connetics") announced that Medicis Pharmaceutical Corporation informed Connetics it has in–licensed rights to U.S. Patent No. 5,721,275 dated February 24, 1998 that it asserts will be infringed by Connetics' product candidate Velac. Connetics, having previously reviewed the patent in 2003, is confident that Velac will not infringe the patent assuming the patent is valid. Connetics has not taken any legal action and is not aware of any legal filings related to this matter by the patent holder or Medicis. A copy of the Connetics press release regarding Velac is attached as Exhibit 99.1 and is incorporated by reference in this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number	Description
99.1	Press Release dated November 22, 2004, regarding Velac.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONNETICS CORPORATION

By: /s/ Katrina J. Church
Katrina J. Church
Executive Vice President, General Counsel and Secretary

Date: November 23, 2004

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Exhibit Number	Description
99.1	Press Release issued November 22, 2004, regarding Velac.

CONNETICS CORP

3400 W BAYSHORE RD
PALO ALTO, CA 94303
415. 843.2800

EX–99.1

EXHIBIT 99.1
8–K Filed on 11/23/2004 – Period: 11/22/2004
File Number 000–27406

Exhibit 99.1

CONNETICS AFFIRMS VELAC PATENT POSITION

PALO ALTO, Calif. (November 22, 2004) — Connetics Corporation (Nasdaq: CNCT), a specialty pharmaceutical company focused on dermatology, today announced that Medicis Pharmaceutical Corporation informed Connetics it has in–licensed rights to U.S. Patent No. 5,721,275 dated February 24, 1998 that it asserts will be infringed by Connetics' product candidate Velac. Connetics, having previously reviewed the patent in 2003, is confident that Velac will not infringe the patent assuming the patent is valid. Connetics has not taken any legal action and is not aware of any legal filings related to this matter by the patent holder or Medicis.

The U.S. Food and Drug Administration has accepted for filing Connetics' New Drug Application for Velac as of August 23, 2004, with a user fee goal date of June 25, 2005. Connetics licensed from Yamanouchi Europe B.V. the rights to U.S. Patent No. 5,690,923 dated November 25, 1997, to develop and commercialize Velac exclusively in the U.S. and Canada, and non–exclusively in Mexico. Velac is currently approved in France.

About Connetics
Connetics Corporation is a specialty pharmaceutical company focused on the development and commercialization of innovative therapeutics for the dermatology market. Connetics has branded its proprietary foam drug delivery vehicle VersaFoam®. The Company's marketed products are OLUX® (clobetasol propionate) Foam, 0.05%, Luxíq® (betamethasone valerate) Foam, 0.12%, Soriatane® (acitretin) capsules, and Evoclin™ (clindamycin) Foam, 1%. Connetics is developing Extina® (ketoconazole) Foam, 2%, for the treatment of seborrheic dermatitis, Velac® (a combination of 1% clindamycin and 0.025% tretinoin) Gel, formulated to treat acne, and Desilux™ (desonide) Foam, 0.05% a low–potency topical steroid formulated to treat atopic dermatitis. Our product formulations aim to improve the management of dermatological diseases and provide significant product differentiation. Our marketed products have earned wide acceptance by both physicians and patients due to their clinical effectiveness, high quality and cosmetic elegance. For more information about Connetics and its products, please visit www.connetics.com.

Forward–Looking Statements
The statement that Velac will not infringe U.S. Patent No. 5,721,275 is a forward–looking statement within the meaning of the Securities Litigation Reform Act. This statement is based on certain assumptions made by Connetics management based on experience and other factors it believes are appropriate in the circumstances. Actual results or events could differ materially from those expressed in this press release. Factors that could cause or contribute to such differences include, but are not limited to, risks and other factors that are discussed in documents filed by Connetics with the Securities and Exchange Commission from time to time, including Connetics' Annual Report on Form 10–K filed for the year ending December 31, 2003 and Form 10–Q for the quarter ended September 30, 2004. Forward–looking statements represent the judgment of the Company's management as of the date of this release, and Connetics' disclaims any intent or obligation to update any forward–looking statements.

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